

# CORRECTED VERSION

## RURAL AND REGIONAL COMMITTEE

### **Inquiry into the opportunities for people to use telecommuting and e-business to work remotely in rural and regional Victoria**

Ballarat — 17 July 2013

#### Members

Mr D. Drum  
Mr G. Howard  
Mr A. Katos

Mr I. Trezise  
Mr P. Weller

Chair: Mr P. Weller  
Deputy Chair: Mr G. Howard

#### Staff

Executive Officer: Ms L. Topic  
Research Officer: Mr P. O'Brien

#### Witnesses

Mr J. Collins, economic tourism development manager, sustainable development, Hepburn Shire Council;

Ms N. Gration, director, Ascend Public Relations and Communications; and

Mr C. Allan, director, marketing and e-business, Visionary Group, and board director, Ballarat Business Centre.

**The CHAIR** — Welcome, John, Noelene and Craig, to the Rural and Regional Committee's inquiry into the opportunities for people to use telecommuting and e-business to work remotely in rural and regional Victoria. I also extend a welcome to the people we have here observing today. It is very good to see. The committee is an all-party parliamentary committee, so we have both sides of the houses here, which is very good. I hereby advise that all evidence taken at this hearing is protected by parliamentary privilege as provided under the relevant Australian law. I also advise that any comments made outside this hearing may not be afforded such privilege. Could you each give your full name and address for the benefit of Hansard?

**Ms GRATION** — Noelene Gration,.

**Mr COLLINS** — John Collins,.

**Mr ALLAN** — Craig Allan,.

**The CHAIR** — Would you like to give a presentation and have questions as we go or questions at the end?

**Mr COLLINS** — As we go.

**Ms GRATION** — As we go.

**The CHAIR** — Would you like to lead off with some comments?

**Ms GRATION** — I moved to Korweinguboorra 13 years ago. I was still working in Melbourne, and I was lucky enough to negotiate to work from home two days a week. There was absolutely no mobile reception and it was dial-up internet — it was terrible. On one Sunday morning, at about 2 o'clock, my work phone rang, so it had to be a work call, and I was the public relations manager of the department. We were responsible for crisis communications and media relations, so when the phone rang at 2 o'clock in the morning I thought, 'Oh, my God. Something terrible has happened'. I was about to ring my boss back on the landline, but I thought, 'No, I'll listen to the message first, and then I'll ring him back'. So I ran outside, and there was snow everywhere. The ground was covered in snow and snow was coming out of the sky, and I had to run around the backyard until I could finally get reception. I listened to the message only to find that he had left it two days before, just advising me about a meeting that was coming up. So it was no big deal, and I went back to bed.

Today, 13 years later, I now live about 2 kilometres up the road from there, and it is not unusual to see me standing on my balcony trying to get reception. For me and the people in my community of Korweinguboorra and a lot of the people I have worked with outside of Daylesford — I have an office in Daylesford — the issue is more with mobiles. It is a huge problem if you cannot take mobile phone calls. I started my own business about six or seven years ago. I have a fantastic office, but when I first started I had no work, and it would have been much easier for me to work from home and much more economical for me to work from home, but I just could not do it, particularly because of the mobile. At that time we also only had — I cannot even remember what it was called — but we did not have ADSL. We now have that, so the internet is a bit better.

Moving 13 years forward, last week I went to the doctor. I have had pneumonia, and it has been really hard to get rid of. I went to the doctor, and she said, 'We're going to have to put you on another lot of antibiotics, and we'll need to find a stronger one'. She kept looking it up, trying to look for contraindications on the antibiotic, and then said, 'Look, we haven't had internet all day. I can't look up the antibiotic. We'll just stick to the one that you've been having'. There is a real problem there. It is greater than a business problem; there is a community problem there in terms of the internet.

**The CHAIR** — We are about how we are going to grow businesses when these services get there. We understand that there are difficulties where the services are. It is about what things we could do to get people to work in these areas.

**Ms GRATION** — I looked at some of the benefits. From my experience, but also for the people that I work with as clients, it is much more about the challenges. The challenges are such that they cannot even think beyond the challenges. When I talk, I do NBN workshops and workshops around social media that are funded through the NBN, and when we talk about the NBN there is a level of cynicism there, because people do not really believe that they out in the backblocks of Trentham or the backblocks of Clunes will get the NBN. It is kind of hard for the community to even think more broadly into the future, I guess. There are things like mobile marketing. That would be fantastic, because mobile marketing is so important, but if you cannot use your own mobile phone, it is hard to be motivated to look at mobile marketing.

**The CHAIR** — So could you talk about mobile marketing, what it consists of and why it is a great thing here?

**Ms GRATION** — Yes. In our area, because Daylesford is a tourism area, mobile marketing would be a great advantage. People can use apps to see what is on. So they could look at an app on their mobile phone to show them all the things that are on in the region. They could use QR codes to look in shop windows, to take them to their website to look at what is for sale, what is on sale and those sorts of things. But if you do not have Telstra, then probably a mobile phone is not going to work in that area. Mobile marketing is huge and a great thing for business.

**The CHAIR** — What could we do to help the adoption of that when the service is there?

**Ms GRATION** — That is about getting better mobile services. Once people can see that they have a robust mobile system that will work, then they are much more likely to embrace the technology and look at what they can do with their business. At the moment, it is pushing against a feeling of disenchantment with the current communications. There is a bit of a feeling of disbelief as to how much better they could be, I guess.

Another area that I work in is social media. Social media will really only work if you use images. You have to use images. I have clients who are still on dial-up, and they just cannot be putting up big images, because they are bigger files — everything will crash, or it will take forever for them to get a photo up there. If they cannot put that up there, there is no point in them even trying social media. They have to be able to use images.

In terms of that, once there is a more robust internet for people to use, people are ready to embrace it if they can believe that it is going to work and it is worth the time. It is all time consuming. Mobile marketing, social media — it is very time consuming. They have to believe that it will work for them, and they probably will not do that until there is that really robust system in place. There are things that work, that are proven to work in Australia and elsewhere over years, and they will work here as well if people can do it and not be worried about the internet going down or loading up an image that takes up all of their data use — so, you know, doing a couple of things in a day that uses a month's worth of data. It can also be quite expensive for some people, depending on what systems they are using.

**Mr HOWARD** — But you are able to operate your business from Daylesford.

**Ms GRATION** — Yes.

**Mr HOWARD** — So it is not from home, but at least it is from Daylesford, in the region. You rely mostly on the internet, then, to link up?

**Ms GRATION** — Yes. We have got broadband in our office, and it is fine. The office I work in is owned by graphic designers who work there as well — it is a big office, and there are a whole lot of offices inside — and when they upload big files, the rest of us just have to sit and wait until that is done before we can get back onto the internet again. It is not bad, but it could be a lot better.

**Mr HOWARD** — How broadly does your business operate, then, from Daylesford?

**Ms GRATION** — Most of my clients are in Daylesford and Ballarat. There are a couple in Bendigo, and there are few in Melbourne. So it is broad. I now have two from New South Wales. It varies at the moment. Usually it is half down here and half in Melbourne.

**The CHAIR** — John, did you have something you would like to say?

**Mr COLLINS** — I would like to talk a little bit about the benefits. I think I hear what you are saying as that you are looking to find out in what sense government in particular can be an enabler for more of this to happen. Clearly for us, Hepburn shire is a little bit beyond fringe to the metropolitan area, but one of the main benefits I see of what technology will allow here is that people will be able to opt for business lifestyle in addition to just lifestyle locations for their family, because their business does not have to be anchored in a major city. Advantages of that are fairly obvious at one level, but of course they are a bit of a trade-off, because one of the advantages is that you will get more people moving out of the cities, which will ease the burden on the cities. It will actually then shift some of the demand for infrastructure in particular.

In Hepburn shire one of our major issues is the quality of our roads, especially because we are a bit of a freight thoroughfare, so clearly if we are building our population, because they are choosing a lifestyle, there would need to be an emphasis on roads. As Noelene pointed out, there will need to be more focus on better communications, because the communications are poor.

While we have a relatively small population of about 15 000 people, we have just under a million visitors a year because we are a significant tourism destination, and what we find with mobile telephones, for instance, is that there are large pieces of our shire that are black spots for mobile phone communication. But that also stops people establishing home-based businesses or businesses in some of our smaller villages and hamlets, and that is a major disadvantage to us, of course.

**Mr TREZISE** — But, John, is it not an upwards spiral in that if your population is starting to grow again, you need roads, you need education services and health services. Is that not an upward spiral more than a downward spiral?

**Mr COLLINS** — Absolutely, and it is very much to our advantage to increase our population and to be able to provide those other infrastructure things such as improved roads, better health facilities, better communication facilities and better education facilities. We do not see that to be any sort of down side. To us that is a benefit. I am just saying it is a trade-off between needing to provide more of them in the city and needing to upgrade what we have got in the country. So that is pretty critical.

Clearly one of the other things for us is public transport. We do not have a large population yet; we hope we will, in which case the public transport will need to keep up with that. At the moment our public transport, for most of the shire, is very ordinary. But of course that is an advantage too.

**The CHAIR** — Would it not follow that if you had more people there, there would be more demand, which would probably mean you could get it there better and quicker?

**Mr COLLINS** — That is right. Of course, the sooner our populations grow — it is one of those things; which way do you do it? Do you wait for the population growth, or do you put it in so that the population will grow? If there was good communication, if there were good roads, good health and education, the population will move more automatically to those locations.

**Mr DRUM** — There is possibly a small percentage of your tourists who go there because they are going to get a Telstra black spot!

**Mr COLLINS** — I think that is called creative avoidance.

**The CHAIR** — We are interested in any examples you have, where you have actually had successful businesses come in and grow in your area — or people relocating to your area.

**Mr COLLINS** — There is no question about it; we do have that. They are all still relatively small, but they have aspirations, and some of those aspirations are clearly limited by the current availability of technological infrastructure.

**The CHAIR** — Do you have any examples?

**Mr COLLINS** — A good example of that is Rijk Zwaan, which is a Dutch-based business. They specialise in growing seed vegetables. They produce 75 different kinds of lettuce seed. They operate out on the edge of Daylesford at a small place called Musk. They are one of the main producers of that particular product for the Southern Hemisphere, and the way they balance it is seasonal, so that when the Northern Hemisphere premises are going through their winter, then the Australian operations are producing for the rest of the world. That place is significantly limited by good communication infrastructure. Also to some extent it is limited by the fact that it is not a big labour pool, because we do not have a population yet, so when our population grows they will have a bigger labour pool, and also to some smaller extent road infrastructure is a bit ordinary in patches and spots. So that is a good example of that sort of thing, where that business clearly could grow if things were better. They picked our location because we have such good soil and such good climate for their particular kind of product. They do not want to be anywhere else — they want to be where they are — but they need the infrastructure to support their growth.

I think one of the things I also see, which may not have been touched on by others, is the sort of growth in businesses in small towns, hamlets, and home-based businesses as having a significant benefit for people with disabilities who currently have trouble with transport and all sorts of things. If they can work from home, that opens up an enormous panorama for them with what they can do that they were not able to do before.

This also goes for people returning to work after an injury and mothers returning to work after having children. The more they can operate out of their homes it opens up a far greater percentage of the workforce that we have not been able to tap into so far. In addition, it also means that a lot of younger families who at the moment feel they have to leave regions like ours may not have to. They move to the bigger regional centres — places like Ballarat are real magnets — but also to Melbourne when they do not necessarily want to do that, but as the family grows they find they need to for business reasons as well as personal, education and health reasons.

**Mr TREZISE** — John, because we are social beings, do you see that there will be a tendency in the future to work from home or from hubs?

**Mr COLLINS** — I think both. That is a really good question, Ian, because there is a limit to what you can do from home. Also the nature of a lot of people and their business — what they do but also our social nature — means that working from home has its limitations, and I think the concept of developing hubs in places like Daylesford in particular and some of our other villages is very real. It happens in a small way now. Noelene referred to the place where she works, and that is a privately owned and developed business hub, but there will be more of those. I think there will be demand for more of those, and they are a very good model.

**Mr TREZISE** — You talked about disabilities before, and I was concerned that when you were talking about people with disabilities having an advantage by working from home, is that not isolating people more than the issue of access to workplaces?

**Mr COLLINS** — Ian, I do not think it isolates them more. I think they are already isolated by their disability. I think what it does is open up a whole lot of new avenues for them to grow themselves and to grow their opportunities. I think that is then more likely to draw them, after that, out of their homes and into places like well-built hubs where their disabilities can be better accommodated. It also means that they have the fall-back position of being able to work more and better from home.

**Mr HOWARD** — In terms of the hub that Noelene works at, how many businesses operate out of that?

**Ms GRATION** — It varies a little bit, but about seven or eight at the moment.

**The CHAIR** — Having a look at this hub idea, are they hubs with hot desks or hubs where you actually have your own desks?

**Ms GRATION** — Each business has its own space. However, there are a couple of desks that can be and are occasionally used as hot desks. So someone might say, ‘Look, I just need somewhere to sit. I’m in Daylesford for a week’, and there is a desk for them. I do not think they even charge for that. They just let them do that, although obviously they could charge. Then each office has its own arrangements. A couple of the offices upstairs have people who come in just on occasion who actually do not work for them, but the way it is really set up is that we all have our own space, we pay rent on that space and that is our area. There are communal areas as well.

**The CHAIR** — But as you say, the company or whoever you work for could hire that space. It is not necessarily your desk; one of the companies could come in.

**Ms GRATION** — Absolutely. We have limited space, but they have talked at times about making one of those spaces into a meeting room so that we could use it, but also people could pay to come and use one of the meeting rooms, because that is an issue in the Daylesford area too — to find some private meeting rooms is not that easy.

Some of the positives of telecommuting: for me that is what I did for a long time — I worked in Melbourne and worked from home a couple of days a week. The change for me was that I could spend my money in my community instead of Melbourne. I would go down the street to buy my lunch. I had moved there, and I did not know anyone, but I started to develop a sense of community that I would not have had if I had worked in Melbourne five days a week. I know people whose kids go to school in Melbourne because they go on the train together. The kid goes off to school and mum and dad go off to work, whereas if they were able to work from home or do e-business — do their business from home — the kids could go to school locally, which would be better for the community and for the kids, probably, as well.

Also I was not so tired because I was not working incredibly long days — with the transport. So I could get more connected to the community, which was great for the community. I joined the CFA, so there are other benefits that are not so much about work but about being less tired. You can do things for the community as well.

**Mr DRUM** — John, I know it is slightly off your area, but obviously you would communicate with your economic development unit at Hepburn shire. That might be a small unit of one or two people, I suppose. Have you spoken to them in relation to how restricting or limiting your technological capacity in your shire is, and how that is limiting potential future businesses? I would see Daylesford as a major beneficiary of increased technological capacity because of that lifestyle attractiveness. It is reasonably close to Melbourne — probably only an hour and 15 minutes. I think Castlemaine and a range of other lifestyle places will blossom even further. Are you aware of these sort of restrictive or inhibiting factors surrounding technology that are holding businesses back from moving in?

**Mr COLLINS** — Damian, I think at the moment my reading of the business sentiment is that the clever businesses that really want to stay in places like Daylesford are using the current available technology to its maximum, and it is working pretty well for them. They pay what it costs to do that. There have been one or two notable exceptions that have found that too limiting, and they have moved to Ballarat. We tend to suffer that kind of bleed of business to Ballarat for lots of reasons. They are usually not technological; they are usually commercial, light industrial and the like — when we do not have enough of what they want at a price they are prepared to pay, but they can get it in places like Ballarat.

But the sentiment I find probably more specifically is about the promise of NBN — that it has been coming, it has been coming and it has been coming. It has sort of reached a stage where businesses that already need some of the capacity of that technology go and buy what is available now and make it work. And they make it work really well; that is how they have grown the business. The others are sitting and waiting and saying, ‘Okay, we think we get it. We’re not across the detail of the technology’. But it always

seems to be 'chocolates tomorrow' and 'When it's here, then we'll get more excited about it'. That is what I see happening, largely.

I think there are going to be two things that will happen. One of them will be that when it comes, businesses will get legitimately excited and jump on board. Businesses will grow. A lot of businesses will move to places like Daylesford for lifestyle reasons, and they will be very successful businesses. There will be another level of people who will say, 'Whoa'. We have a lot of semiretired people who thought they were retiring and bought businesses in our area and found they were more work than what they were doing in the city. I think some of those people will say, 'Okay; barley, this is a bit much for me. Now I am going to draw the line', and they will onsell their business. I see that to be a good thing too because it will bring more people in.

At the other level what I think will happen is that people will say, 'Okay, this is really good stuff. I don't get it. I'm buying in somebody young who does get it'. Some of those young people will hopefully be our young people, who are all reasonably well educated. Young people are across this stuff. In fact they are almost ahead of it. They can see past what it is delivering now and are waiting for the next thing. We need more of those people in our businesses. At the moment not enough of our businesses are big enough to accommodate that, but what I see happening is that that is our next phase and that is where our opportunities will be. We will keep our young people and will attract more young people, especially young families, who have this stuff. They understand it, and they can make it hum.

**The CHAIR** — Craig, your turn.

**Mr ALLAN** — Thanks. I have submitted online a couple of pages of my thoughts. What I want to do is actually just highlight a couple of points of that submission without going through it verbatim. There are a couple of points made during conversations that I want to embellish as well. Basically since 2007 I have run a marketing company, predominantly within digital marketing and building e-business platforms for clients, not just in Ballarat but also within the Melbourne region and interstate, and we also have a couple of clients overseas. There have been a number of challenges with regard to growing that business. But really it has been heartening to be able to work with businesses that thought it was too much of a challenge for them to actually get on line and produce an e-business revenue stream. I will highlight a couple of points and possibly some case studies with regard to that.

Really my background is from a research point of view, and that has drawn me to the area that I work in now. A decade ago at the University of Ballarat during an honours year of doing an e-business degree we developed some research on this basic issue. Some of those pertinent points with regard to the challenges of the adoption of not just the technology but how to utilise that technology is still pertinent today. I have made reference to that research in my submission.

Further on, in relation to telework and e-business, I have a couple of points with regard to telework that I can highlight, but really my specialisation is in the e-business side of things. However, in saying that I just want to highlight, based on the terms of reference, a couple of key points. For example, the first key point is with regard to identifying potential benefits for rural and regional Victoria if more people were able to work remotely. Ballarat in particular is like a regional city. We suffer from some levels of what we call possibly brain drain. Regional centres would be able to say this as well. I grew up in Tasmania — the same situation. Really the promotion and take-up of more remote work is certainly an area that can retain those skills, particularly from people who have graduated from university and other areas, to stem or reduce that outward migration. Therefore that has positive social and economic impacts with regard to the society.

Secondly, on retaining skilled professionals within regional centres, again as part of that there are a lot of people who are — as has been identified previously — commuting to Melbourne for work. The enablement of this broadband technology really has the ability to retain those skills. We find there are quite a lot of situations where those people who have worked on a professional basis as employees have gone on to embark on developing their own business and therefore really having a very positive impact on the economy on a local scale.

There was also some mention of tree changers. This is certainly an area where because of that — I read just recently that something like 1500 people are migrating to Melbourne on possibly a weekly basis; I am not quite sure whether it is weekly or monthly — there are certainly strains on the infrastructure with regard to that. For us to enable more remote work will certainly make it more attractive to tree changers, and even people who are establishing businesses, who are not necessarily residing here but are working in or establishing business in this regional area. I believe those couple of points really highlight the advantage and the positive aspects, not necessarily on a technological basis but certainly on a cultural and economic basis. We are looking forward to getting the NBN technology rolling out very soon.

I refer to a couple of examples with regard to best practices within this jurisdiction. I have a client who is basically a local plumber. He has really taken on e-business with gusto. Previously he had a number of staff. He employed a bookkeeper and other admin staff.

**Mr HOWARD** — What is the age profile of this person?

**Mr ALLAN** — He is in his early 40s.

**Mr HOWARD** — I suspect there is a bit of a link with younger managers who are more confident in moving into that area?

**Mr ALLAN** — Yes, it is interesting. I was going to touch on that point, because there seems to be a perception that specifically the specialisation in utilising the technology is within the younger generation. I would have to point to that, for example, social media use is pretty broadly adopted right across the age groups. For example, in baby boomers it is about 30 per cent. In fact retirees — I do not know the exact recent statistics but statistics from a couple of years ago indicate they are — are the fastest growing demographic sector that are utilising social media. It is broad ranging. Thirty per cent are gen Y, and 30 per cent are gen X — and that sort of thing. I think to rely on the younger generation to adopt this technology is — —

**Mr HOWARD** — I am just interested. I do not wish to — —

**Mr ALLAN** — I can identify a couple of situations where people have basically gone, ‘We’ll shift this responsibility or knowledge base across to the younger generation’, and I think that is possibly missing the mark somewhat.

**The CHAIR** — You can teach old dogs new tricks?

**Mr ALLAN** — Yes, you can; absolutely. I think it is actually empowering in some respects as well. Just to go back to this local plumber, he has a number of staff, but he has been able to reduce his costs and increase his profitability purely because of his use of cloud technologies and e-business in general. His staff are all plumbers. They all have hand-held devices and iPads, tablets, and they actually quote jobs on the spot and then email the quotes to the client. At the end of the job, when they are sitting in their vans and before they go to their next job, they are rounding or finishing off that job, including sending invoices and notes to the business owner with regard to additional opportunities, projects and things like that. They embraced that just over the past six months and have indicated that it has led to somewhere along the lines of a 40 per cent reduction in operating costs, which therefore reflects on profitability. That is one example.

Another e-business example comes from a client I have had for a number of years. They are a family business that has been operating for about 20 years in Ballarat which manufactures lambskin rollers overseas and then imports them. They are the best in Australia. They also sell, import and distribute other paint accessories. Those products are really top-quality trade items. They sell to the larger retailers — the Duluxes, warehouses and things like that. They faced some pressures around 2010 where there was a risk as to whether they were going to retain those bread-and-butter client bases, so they looked to start selling their products online. That has proved to be very beneficial for them to the point that they have actually created another revenue stream for themselves and some surety with regards to income.

A secondary benefit is that they have been able to further develop their brand by increasing their professional branding. As a result they have had more interest from bricks and mortar businesses from other areas because they have taken it up to the next bar level. They have had a cultural change within their business. That is probably an aspect that is missed in some respects. It is not necessarily about the technology, it is not necessarily about how to utilise the technology but it is the overall cultural aspects of looking to work in this area that are really beneficial.

A third point is that within our own business we provide consultancy services, and we utilise a lot of e-business ourselves. Obviously we like to practise what we preach. Therefore we are also able to road-test and verify a certain number of processes with regard to e-business, whether it be e-marketing, use of social media, integration within social media and other aspects within websites — all that sort of thing — can be really beneficial. Therefore we are able to put our hands on our hearts and say to our clients, ‘This works and this is how you do it — not necessarily the technology itself but how you utilise that technology’.

Furthermore, the use of cloud technologies is really enabling — I mentioned the example of the plumber before. It assists people with remote work, and there is also that e-business aspect. We also have an online retailing arm of our business. That is part of the ‘practise what you preach’ approach we put in place.

**The CHAIR** — Just on that point, what percentage of your business is the online marketing arm, and how has it grown compared to the rest of the business?

**Mr ALLAN** — We have basically hung our shingle on e-marketing since 2007. The first couple of years it was very much an educational aspect of the business. I have operated with other businesses that trade overseas. We are three to five years behind places like North America and the United Kingdom. I have been able to transfer that knowledge to an Australian and regional context. As far as the proportion of our income goes it is about a 50-50 approach. It works hand in hand with developing an e-business platform for a client and then gives them the opportunity to access assistance to develop campaigns and platforms that promote it online. So it is very much hand in hand with regard to the other aspects of our business.

I was just going to say that we also provide some facilitation of workshops and mentoring to the Central Highlands Digital Enterprise program that Gerrie Carr-MacFie and Helen Thomson also spoke about. They have been very beneficial. It has been heartening to see businesses that thought ‘We’re not big enough to be able to embrace it’ recognise that e-business and having an online arm of their business is an integral part of growth and looking towards the future. They have also been a little bit disheartened by the fact that they viewed this major investment as a secondary priority.

Working with clients and facilitating workshops for the Central Highlands Digital Enterprise has really been of assistance to those businesses. We have seen a lot of people, a lot of business operators and organisations, really take heart and embrace that. Some 35 businesses and organisations have taken up these programs. There have been some really good results with regard to businesses having an online arm and looking at what they can do in the medium to long term. Instead of just having a list of their products they are now looking at developing an online store and that sort of thing.

**The CHAIR** — Do you have any examples of one of these businesses going to one of your seminars, then going on to do it and growing as a result?

**Mr ALLAN** — Yes. A number of businesses have gone through the program. The first part of that program was rolled out on 1 May so we are talking about a fairly short time frame. Most of the businesses are in the development phase, but there are a few that have established their websites. They do not necessarily have an e-business aspect to them — it is probably a little bit too early — but they are certainly putting plans in place to develop that further in the future.

Most of the websites we have helped develop have online catalogues. There is some integration with social media, blogs and that sort of thing. It is very heartening to see the embryonic evidence that suggests it is going to work well for them. The platforms we are using to develop those websites have the capacity to

bring in a whole bunch of components and elements to assist those businesses in e-marketing — integration of social media, virtual shopping carts, integration of video and those sorts of thing.

I have spoken about e-business, but I would just like to make a couple of points with regard to remote working. During 2004 to 2007 I was a global marketing manager for a software firm based in Creswick, which is 17 kilometres north of Ballarat. This software developer originated in a garage; theirs is a garage story. They export 97 per cent of their software overseas and have done since about 2002. I was a single parent at that stage, and they gave me a lot of work flexibility. For example, if my son was sick or on school holidays, I was able to work from home. That was a real benefit.

The other aspect of that business — and John and Noelene also highlighted this — is that there are challenges in operating businesses not necessarily in the Ballarat region but in the more rural regions. One aspect of that was the available technology in 2007 — I am not quite sure what they are doing now. They actually utilised two ADSL connections — one satellite and one landline — because of the fluctuations in reliability at that stage. That was their solution.

The other aspect was that most of their online operations were sitting on a server in the USA. That was purely because that is where most of the traffic was. In that situation you are not necessarily required to actually have your website sitting locally on a server; it can be sitting where the traffic is. That is the benefit of that globalisation aspect of the business.

The other aspect of the challenge to that business was that they had a lot of trouble retaining or attracting skilled staff. Their main challenge was to be able to bring in C++ programmers, which is a very desirable, high-level skill set. They would negotiate with a Melbourne-based potential employee, but as soon as they found out they were to be located in Creswick, it was a big challenge to get that staff member. They looked at other remote work opportunities for those staff.

Another example is that a gentleman I went through university with — again, he is one of these programmers I have just been speaking about — works for a company in Adelaide. He lives here and has a family here. He is not necessarily a stay-at-home dad, but he takes on that parenting role, working part-time but working remotely. He only needs to go to Adelaide for management meetings, probably about once a month. It is a quality-of-life aspect for him. He also used to commute to Melbourne. He did that for a couple of years. When he started having a young family he decided he needed to look around and was very lucky in that situation. Unfortunately I have not been able to give you more details with regard to those people, but if you want to look at more details or talk to them, I can certainly furnish those.

On the third point in the terms of reference, legislative impediments at state, federal or local government level, I really cannot comment on that, purely because that is not really my expertise. On workplace relations and occupational health and safety issues, a couple of points were raised when I was listening to the other presenters. One is that there probably does need to be a management cultural change with regard to acceptance of working remotely. Potentially it is almost as though management in some organisations possibly find that not to be a priority to them, and therefore it is possibly a little bit too hard for them to work out. There are great examples of it, but in order for it to be adopted further — and I am not entirely sure whether this is an area that state government can provide assistance or support in — there seems to be a need, possibly, to look outside the box with regard to that opportunity and consider it a little bit more rationally.

Basically there are probably also some productivity challenges. Again, that was highlighted just recently — today. Yes, there is probably remote monitoring software that can be used. However, there is the issue with regard to balancing privacy and productivity with regard to a worker. Possibly that is also indicative of what is seen to be productive. What are the matrixes of how you measure productivity? I know that Telstra, for example, for its linespeople has GPS positioning in the vans. That is a way for them to monitor that. Whether it is utilising the positive or negative aspect, I would not be able to comment. That is possibly one way — —

**The CHAIR** — Trucking companies have the same thing.

**Mr ALLAN** — Possibly, yes. With occupational health and safety I guess it is a situation where there is a challenge where some requirements are needed for home-based offices, particularly for employees to make sure that the environment for working from remotely is up to standard. Therefore that is potentially an investment that could be prohibitive to employees on that basis. Again, looking for solutions, I do not have a solution there, but it is possibly an issue.

**Mr HOWARD** — Just on that one, Craig, you mentioned that you are a single parent. That has been raised earlier in the day — single parents working from home — how have you managed to maintain that balance, with children not getting in the way of work, and get that balance right so that you can concentrate on the work you are doing, be there as needed, but not necessarily be distracted?

**Mr ALLAN** — Luckily my son was in his teens, so essentially I was being there just in case. With toddlers, operating a business or working remotely for an employer would certainly be a challenge.

**Mr DRUM** — Can I just jump in here with a question to all three of you. In hardened economically challenging times it is going to be productivity that effectively lets an employer give an employee the licence to either work from home or come in. That is the cut and thrust of it all. I suppose from our perspective we need to be looking at ways to monitor production and productivity. We need to be able to give employers the tools to be able to analyse their staff and maybe dissect their roles and say, 'On Tuesday you can do X, Y and Z, and you can do that from home. It has to be done to this level and this standard. Over and above that, that is more than we would get from you travelling in'. It is great for all the social and community benefits. They can go and join the CFA because they now have less travel time. They are all great, but we will not be able to get the local advertising agency or local realtor to say to his people, 'On Tuesdays' — or Wednesdays or Thursdays, or all three of them — 'just get your work done, and I'll see you on Friday for our weekly meeting'.

**Mr ALLAN** — Can I just make a point there? On that basis it is really a situation of, as I said before: how do you assess productivity? Maybe it is more a long-term situation. Take, for example, a real estate company, reviewing the sales level. If it drops, and that is possibly attributed to not working productively remotely, then that is possibly an aspect that can be considered to be something that you need to make a decision against as a business operator. There certainly needs to be a bit of a rethink, apart from it just being about clocking in and clocking off and doing a certain number of applications, or whatever, you are doing. That more short-term, unitary assessment probably needs to be a little bit more long term.

**Mr COLLINS** — I would agree with that, Craig. Damian, I think one of the issues is I actually do not think much needs to change, because I do not think there is necessarily much difference between people doing a job in a workplace or doing a job at home. Sadly, one of the big measures of productivity in the workplace is: are you there between these hours?

**Mr DRUM** — And if you leave later, you are doing a lot more work.

**Mr COLLINS** — That is right. I think we need to be better and smarter about how we measure outputs and outcomes. I think we are not smart at that in either place. The only comment I would make about it is that it has to be done better by mutual agreement between employees and employer. I do not think it is easy, but I do not think it is nearly as complex as we make it out to be.

**Mr KATOS** — One question I have is with regard to perception. The problem we have is that although the government can be a leader in telework, it is also public money — whether it is ratepayers money or taxpayers money. There is that perception that, 'So and so who works for the department was out the front doing his gardening at 3 in the afternoon'; it makes its way onto the front page of the Ballarat *Courier* that he was out there doing his gardening, and the taxpayers are paying his wage. 'Why was he out the front?' — even though he had done his work, might have started earlier or was going to work later. What are ways that we can get around this perception?

**Mr COLLINS** — Andrew, I do not think you are ever going to beat that, to be perfectly honest. I think the issue is about open, transparent, clear measures of what is a deliverable for any one employee or group of employees. If that person can be shown, openly and transparently, to be delivering what they are paid to

deliver, there is no argument. But you are never going to get over how things are perceived. It is kind of like a human right, is it not, to criticise government?

**Ms GRATION** — The other area that I think can fall over sometimes is if somebody is working from home and a meeting is called unexpectedly, or whatever, that person who is working from home slowly starts to be left out of the loop, in a way. I worked with a client in Ballarat who does not work from home but has offices in, I think, Avoca and maybe Horsham or somewhere else. I did some work for them. When I talked to the staff who worked in the outer offices, they said, ‘They are always having meetings, and they forget to tell us. They forget to invite us’. There is all sorts of technology these days where you can have videoconferencing, like Skype. They have not embraced any of that. I think equally it could happen working remotely, wherever your workplace is.

Employers and teams need to remember that they are still a team member even if they are in a different location and that that technology is available and will become more available — where you can actually make a phone call, everybody is hooked in and that person is connected in that meeting. That is where resentment starts and where people start to feel a bit jealous and then say, ‘How come you get to work at home?’, and, ‘Why do you know that and I don’t know that?’. That is another important issue.

**Mr HOWARD** — Obviously, Noelene and Craig, you are getting a number of businesses who are making use of your services, which is good, but I imagine you can identify that there are a whole lot of other businesses out there that do not take advantage of the opportunities that the new IT technologies provide. I guess there is a range of reasons they do not do that: they do not see the cost they might spend on you as being worthwhile to them — ‘What am I going to get out of that?’ — or there are time constraints or other things. What are the suggestions you might make in terms of how you could get a greater uptake and appreciation of the technologies?

**Ms GRATION** — Like Craig, I am also doing some workshops and facilitation and mentoring, and in coming there is already, I guess, at least the beginning of an acceptance. Ninety-nine per cent of those people are really ready to embrace what is available. Pretty much everybody starts; not everybody continues with it, because it is time-consuming. In Daylesford, where I work primarily in this instance, they are tiny businesses. We were talking about young people. A lot of people say, ‘I’m going to get my 14-year-old do it’, and I say, ‘Would you get your 14-year-old to make any other of your marketing decisions? Do you really want a 14-year-old person to be sending out your marketing materials? I don’t think it’s a good idea’.

Some of them have done brilliantly. One of my clients — someone I mentored — came to a workshop, and we were going around the room saying, ‘What sort of social media are you using? Are you online? What are you doing?’. This woman said, ‘I’ve just learnt how to send an email’, and I thought, ‘Oh my God! I’m supposed to teach her how to use Twitter’. Now she is my best Twitterer! She is fantastic. She has really embraced it. She would be in her late 60s, has a new business and has just gone wild. So I think it varies. Some people have learnt and started, and then something will happen in their business, so they will just lose time. They lose confidence, and then they might give me a call and say, ‘Can we come back again and start again?’. I think we just have to really nurture especially the small businesses, where they have to do it themselves — there is no-one else. You just have to keep nurturing them, I think.

**Mr ALLAN** — It is effective use of their time on a priority basis, and at this point in time they probably see some good case studies or maybe city-based examples of how productive you can be by utilising the technology, but they do not see that as being — I guess there is not a clear enough picture to be able to see the advantages in investment of their time and money on that basis. However, I think some of the success stories we have actually been able to work with have arrived from doing a number of presentations and workshops and that sort of thing with regard to business groups, chambers of commerce and those sorts of industry-related groups — builders groups and things like that. They then have this sort of affinity with each other, and they are probably a bit more comfortable sharing ideas and concerns because they are brethren in some respects. So that has been an area where we have been able to get a bit more understanding. You can see these ‘Aha!’ moments come through, and certainly you get these questions.

Probably a good example — we talked about mobile business — is that in Australia we have something like a 60 per cent uptake of smartphones. That is one of the highest levels if not the highest level of use of smartphones in the world. However, we have a disparity between that and how businesses are responding to it. It is a real challenge, and I can see that there is a similarity between this, the mobile business, and doing e-business using websites from three, four, five or six years ago. So it is probably an opportunity to be able to roll out these case studies and examples specific to your little niche of business that you are operating within.

Retailers have certainly been spoken about and are in the media a lot, lamenting that they have missed the online business boat. However, as a retailer from the early 1990s, working from Myer stores, they knew about the information superhighway, and they sat on their hands and are still not really addressing that. It is just one of those challenges that risk-averse boards and corporations probably wish would go away. Social media is another example.

**The CHAIR** — All right, I will ask for any final comments.

**Mr COLLINS** — Yes, thank you, Chair. One thing I did not mention before is that the opportunity of working from home will also take the pressure off child-care centres, which is a big issue for us because we do not have enough, so that is probably worth recording. The other two things for us that are very significant are, firstly, decent technology in the case of emergencies like bushfires and floods. That is a major issue for our shire as a unit and as a community of villages where we do not have good, reliable communication across the shire.

The second thing is that we get nearly a million visitors a year through our region because we are a popular destination, but the truth is that people will stop choosing those destinations that have lousy communications, because they will not be convenient anymore, and that is a serious disadvantage to our visitors. But in some ways it would be a really poor sign, a bad symbol for us as a destination, to have a lack of that sort of infrastructure which we desperately need for the future and for our growth.

**Ms GRATION** — I was also going to mention emergency services. Since I left the business in Melbourne for which I was working — when I was partly commuting to and from Melbourne and partly working from home — there have been two big bushfire threats in my area, and I think my employer would approach it differently and think differently today if I was asking if I could work from home two days a week, during the summer at least, with no mobile phone and a real bushfire threat. So those communications are a really important issue.

**Mr ALLAN** — Just one last point with regard to virtual hubs; there was some discussion before with regard to that. I sit on the board of the Ballarat Business Centre. It has around 50 tenants in Dawson Street, just off Sturt Street. It provides virtual offices, virtual reception, that sort of thing. It is a growth area for them, so it could be a microbusiness — a professional who works the majority of the time from home and maybe needs more of a business address to have inquiries taken or mail received — but also it is a situation where there are meeting rooms, and also that crosspollination of ideas is helpful. I know Greenhill Enterprise Centre also has some virtual tenants, talking to Mal Vallance recently, and it is a real benefit. That is a situation where not necessarily working from home but working at these remote areas and having that hot-desk facilitation could be very beneficial, particularly from regional representatives, from CBD-based companies having to service regional areas, right through to mobile business and professionals.

There is also discussion with regard to the Co-Lab, which is a recent innovation that is very much in its embryonic stage, supported by the university, I believe, and also by the Ballarat City Council. That has a lot of promise with regard to bringing in the creative industries — the arts and things like that — and potentially business, and giving them a forum to share ideas. The opportunity for research and development and start-ups and commercialisation of ideas are areas that I am very passionate about, and I hope to see that come to fruition as well.

**The CHAIR** — Good, thank you. Noelene, John and Craig, I thank you very much for your valuable contribution here today and remind you that in about a fortnight's time you will receive a draft from Hansard. You can correct obvious errors but not the substance of what you have said, and any amendments would have to be agreed to by the committee, but once again, thank you very much for your time.

**Witnesses withdrew.**